

Banking Service Fees



Fast facts

» There are more than 100 different account packages on the market to choose from

» 60 per cent of Canadians spend \$15 or less per month on service fees; 31 per cent pay no service fees at all

» Basic accounts are available at major banks for \$4 or less



The bottom line

In our competitive marketplace, consumers have a great deal of control over the service fees they pay.

Service fees: How much do consumers actually pay?

- 60 per cent of Canadians say they pay \$15 or less for monthly service fees, and 31 per cent report paying nothing at all.¹
- 31 per cent of consumers report paying \$0 fees, because they take advantage of no-fee service packages for seniors, students or youth, maintain a minimum monthly account balance, or choose a no-fee electronic banking package.

Are consumers getting good value?

- Bank service fees are a comparatively small household expense. Statistics Canada has found that households spend an average of about \$16.2 per month² on bank service fees, compared to \$22.11 spent on lotteries, \$56.88 on cable and satellite TV, \$41.09 on prescription drugs, and \$214.06 on household utilities.
- Banks offer low-fee account packages for just pennies a day. For example, the monthly fee for low-fee accounts ranges from \$2.95 to \$4 for eight to 15 transactions a month, unlimited deposits, a debit card and free monthly statements or passbook updates – all for less than the cost of a daily newspaper delivered to your door.
- Personal service charges account for about 5.6 per cent³ of total bank revenues.

Why do I have to pay service fees to access my own money?

- Service fees help pay for the convenient and reliable banking services that Canadians use, including:
 - A national network of 6,100 branches
 - 59,000 ABMs, including 17,320 bank-owned ABMs.
 - The Interac Direct Payment terminals at more than 450,000 retailers in Canada
 - Telephone and internet banking
- From 1996 to 2009, the six largest banks have invested \$55.8 billion in technology to ensure a convenient and secure banking system .



Shop around for the best value for your needs

- Of the 77 banks operating in Canada, more than 40 offer financial products and services - including bank accounts, credit cards, loans and investments - to Canadian consumers.
- There is a lot of choice and competition, and consumers should shop around to find the products and services that best meet their needs.
- The Financial Consumer Agency of Canada (FCAC) offers an online tool to help make it easy. The FCAC's Banking Package Selector tool compares over 100 different account packages at 16 financial institutions.⁴

¹ Strategic Counsel, Assessment of Canada's Banks, 2011

² Statistics Canada, Selected household expenditure items 2009, average monthly expenditure

³ OSFI, 2010 (CBA Estimates)

⁴ Financial Consumer Agency of Canada, Banking Package Selector tool, February 2011

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» The Canadian Bankers Association works on behalf of domestic banks, foreign bank subsidiaries and foreign bank branches operating in Canada and their 267,000 employees. The CBA advocates for effective public policies that contribute to a sound, successful banking system that benefits Canadians and Canada's economy. The Association also promotes financial literacy to help Canadians make informed financial decisions.